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Whatever Happened to 'A Promise Made is a Promise Kept'?

Going Back on His Word: President Clinton's Welfare Promises, Welfare Veto

One sure way to go back on your word is to make a promise you never intend to keep. When it comes to meaningful welfare reform, this is the course President Clinton appears to have taken. In 1992, he waged a presidential campaign replete with promises of true welfare reform. In 1994, he reneged on his promise by crafting a welfare bill that was a guaranteed nonstarter. In fact, the so-called welfare reform bill President Clinton sent to Congress was designed to fail: it gained virtually no support among either Democrats — who then still controlled both houses — or Republicans; it never even made it out of House or Senate committee.

By 1995, with Republicans newly in charge of Congress, real welfare reform finally saw the light of day and President Clinton pledged his support for "bipartisan" reform. However, in a characteristic about-face, he then threw his support behind S. 1117, the Daschle bill — another nonstarter that had no bipartisan support.

In September of 1995, another ray of hope appeared when the Senate passed its welfare reform bill with overwhelming bipartisan support and President Clinton promised to support it. But once again, faced with the prospect of actually signing a comprehensive welfare reform bill, the President retreated into the shadows to plan yet another reversal. The plan he finally seized upon was to veto Congress' welfare reform in the dead of night, during a once-in-a-decade blizzard when the media's absence would be all but guaranteed.

Welfare Promises and Welfare Principles: Clinton's Retreat

In his February 4, 1993, address to the nation's governors, President Clinton took the first step at delivering on his campaign promise to "end welfare as we know it" by staking out his four guiding principles for welfare reform. Mr. Clinton enunciated the following four principles of welfare reform, three of which he's since reneged on.

Clinton's First Principle of Welfare Reform

1) **Welfare should be a second chance, not a way of life.** In defining exactly what he meant by this, the President stated that welfare recipients should work within two years of receiving benefits and that "there must be a time certain beyond which people don't draw

a check for doing nothing when they can do something." On July 13, 1993, while addressing the National Association of County Officials, President Clinton further defined his first principle of welfare reform by adding: **"you shouldn't be able to stay on welfare without working for more than a couple of years. After that, you should have to work and earn income just like everybody else."**

Abandoning His First Principle

President Clinton's lifetime limit on receiving welfare, like his "two-years-then-must-work" provision never materialized. Neither the bill he submitted in 1994 (S. 2224), nor the Daschle bill he supported in 1995 provided any real time limits on welfare. Both bills provided a litany of exceptions and extensions that rendered any purported work requirements or time limits meaningless. For example:

— According to CBO, the work requirements in the Daschle bill would have applied to ***only 37.5 percent of the welfare caseload,*** providing little or no improvement over the current welfare system.

— As for requiring welfare recipients to "work and earn income just like everybody else," the Daschle bill actually prevented welfare recipients from taking private-sector jobs by forbidding them to "fill any vacancy" or to perform any activities that would "supplant the hiring of" anybody other than another welfare recipient.

— The Daschle bill also provided four pages of exceptions to the five-year lifetime limit on welfare benefits, including one broad provision that would have created welfare preserves across the nation by exempting from the five-year limit anyone residing in a high unemployment area (i.e., over 8 percent unemployment). Based on unemployment rates at that time, all the residents of more of the half of the nation's 10 largest metropolitan areas would have been exempt from the five-year lifetime limit! Rather than encouraging people to seek work as a way off welfare, the Daschle bill would have segregated America's disadvantaged into pockets of poverty where welfare dependency would be guaranteed as a way of life.

Clinton's Second Principle of Welfare Reform

2) **We need to make work pay.** The President stated that by utilizing the Earned Income Credit (EIC) program, **"we ought to be able to lift people who work 40 hours a week, with kids in their home, out of poverty."**

Abandoning His Second Principle

Mr. Clinton's words were right on target — unfortunately, his 1993 restructuring of the EIC was way off target. As a result of the 1993 Clinton budget, the EIC has doubled in cost to become the fastest growing entitlement program in Washington. And contrary to his stated principle, Mr. Clinton's expanded EIC program no longer targets the working poor with children. In fact, under President Clinton:

— For the first time in the program's 20-year history, workers with no children at all are allowed to receive direct cash payments under the EIC. Currently, four million childless workers receive the EIC credit.

— Nearly two million families with incomes over $30,000 receive the credit.

— In fact, nearly 3,000 families with incomes in excess of $75,000 receive the credit.

— Under the 1993 law signed by President Clinton, families making up to $34,613 will qualify for the EIC by 2002.

— The IRS estimates that at least 160,000 illegal aliens claimed the EIC credit in 1994.

— The General Accounting Office (GAO) reported that more than 40 percent of EIC recipients received excessive EIC benefits due to error or fraud. This is a fraud rate that is more than three times that of the Food Stamps program, which President Clinton has targeted for reform to reduce its fraud and abuse rate.

— In fact, the EIC's is the highest fraud rate of any welfare program. The GAO estimates that the EIC program will suffer $37 billion in losses over the next five years due to fraud and abuse.

President Clinton's Third Welfare Reform Principle

3) **Tougher child support enforcement is needed.** This is one principle which Mr. Clinton appears to have articulated without subsequent equivocation. In fact, following House and Senate action on their respective welfare bills, the Clinton Administration expressed in writing its strong support of the child enforcement provisions contained in both the House-passed and Senate-passed bills.

President Clinton's Fourth Principle of Welfare Reform

4) **States must be given maximum flexibility in administering their welfare programs.** On July 20, 1995, President Clinton told the National Conference of State

Legislatures, "What I want to do in the welfare reform debate is to give you the maximum amount of flexibility, consistent with some simple objectives. I do think the only place we need Federal rules . . . is in the area of child support enforcement because so many of those cases cross State lines."

Abandoning His Fourth Principle

Notwithstanding his rhetoric, none of Mr. Clinton's actions since becoming President suggest that he supported the kind of state flexibility he promised the nation's governors and state legislatures. In a September 6, 1995 speech, Governor Pete Wilson of California characterized President Clinton's penchant for making empty promises:

> "At a meeting of the nation's governors, President Clinton promised to approve welfare waivers in 90 days of less, whether he agreed with the changes or not. In California, we sought a federal waiver for one reform we wanted to make to reduce welfare grants and make work more attractive than welfare. That was over a year ago, and the Clinton Administration continues to delay it at a cost to taxpayers of $3 million a week."

President Clinton's efforts to give states greater flexibility through legislation have been even more disappointing. Each of the Democratic welfare reform bills to which Mr. Clinton has lent his support has required that the welfare colossus in Washington remain untouched. Moreover, by retaining the entitlement status of welfare, President Clinton has not only robbed the states of the flexibility he promised them, but he has guaranteed that Congress itself will remain unable to achieve meaningful welfare reform. For decades, state innovation and federal welfare reform efforts have been dismantled piece by piece as a result of ideologically driven litigation and politically motivated court decisions. "More of the same" is one promise President Clinton and his party intend to keep. Far from "ending welfare as we know it," the Clinton approach would guarantee that common-sense reforms continue to be undermined by the courts.

Welfare-related law suits traditionally have been a favorite of the liberal (and federally funded) Legal Services Corporation (LSC). Based on its track record, most of the essential reforms contained in Congress' welfare reform bill will be challenged, at the taxpayer's expense, by the LSC. For example, in the past, the LSC has sued the government to:

- Guarantee federal disability payments to drug addicts and alcoholics;
- Force states to increase welfare benefits for each additional child a mother has while on welfare;
- Prohibit states from requiring mothers who receive welfare to cooperate in paternity establishment;

- Prohibit states from enacting residency requirements (e.g., applicants must reside at least six months in a state to be eligible for welfare);
- Prohibit states from denying welfare benefits to illegal aliens;
- Prohibit states from requiring teenage mothers to stay at home in order to receive benefits; and
- Prohibit states from evicting public housing tenants who engage in criminal activity or damage their apartments.

According to a report by Howard Phillips (former director of the Office of Economic Opportunity) and Peter Ferrara (Senior Fellow, National Center for Policy Analysis), a total of $2 trillion of the federal government's $5 trillion debt can be attributed to LSC activities.

> — As if preserving welfare as a federal entitlement and denying states control over their own welfare programs were not enough to guarantee the status quo, President Clinton has proposed that funding for the Legal Services Corporation be increased to $440 million, a 10-percent increase over the previous year.
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> — Unlike the legislation favored by the majority in Congress, the welfare bill President Clinton supported would not have required any reduction in the federal welfare bureaucracy and merely would have replaced the current set of federal welfare rules and regulations with a new one.

Full Retreat: Clinton Vetoes His Own Promise

On September 19, 1995, the Senate passed the kind of bipartisan welfare reform legislation that President Clinton said he would support. H.R. 4 passed the Senate with the support of 76 percent of the Senators in President Clinton's party. That same day Mr. Clinton praised the work of the Senate and promised to sign the welfare reform bill if the principles set forth in Senate bill were retained.

But as in the past, promises made and promises kept are not the same in the Clinton Administration. During House-Senate negotiations on the final bill, when it became clear to the Administration that the President was going to get exactly what he asked for, the plan for full retreat was put in place.

Step One: Do Not Negotiate in Good Faith

On October 26, 1995, Secretary of Health and Human Services, Donna Shalala, sent a letter to House and Senate welfare conferees. Her letter detailed the Administration's position and recommendations with respect to 88 provisions of the welfare reform bill. Over a month later, with the welfare conference finally completed, conferees had reached complete agreement on 60 percent and substantial agreement on 25 percent of all the concerns listed in the October 26 letter. In fact, of the 14 major issues addressed by Secretary Shalala, seven had been resolved in complete agreement, while substantial agreement had been reached on the remaining seven. The conference reached complete agreement on the following:

— Child Support Enforcement: No disagreement.

— Child Care Funding: The final bill actually provided $1.1 billion more in child care funding than the Senate bill the President promised to sign and $3.3 billion more than the House-passed bill.

— Preventing States from Cutting Welfare Rolls to Increase Work Participation Rates: The final bill followed the Senate provision which prohibits states from changing their eligibility criteria and then counting the resultant reduction in caseload toward their work participation requirements.

— State Option on Cash Benefits for Unmarried Teen Parents: The final bill adopted the Senate provision, consistent with the Administration's position, which gave states the option to provide cash benefits to unwed teenage parents.

— Teen Parents Must Stay at Home and Remain In School to Receive Cash Benefits: The final bill adopted the Administration's position in every respect.

— Providing a Contingency Grant Fund for States: The final bill is fully consistent with the Administration's position. Conferees provided $1 billion for a contingency grant fund, $200 million above the Senate level which the Administration supported. The final bill also provided $700 million more than the House bill for a state "rainy day" loan fund and $300 million more than the House for a state population growth fund.

— Allowing Welfare Benefits for Legal Immigrants After They Have Naturalized: The final bill is in complete agreement with the Administration's position.

Step Two: Issue a Phony Report to Cover Your Tracks

On November 9, 1995, at the urging of the guardians of the status quo, the Clinton Administration issued a report designed to take the heat off the President for his latest reversal. Despite the fact that Congress had been debating the welfare bill for an entire year, the report, it was alleged, revealed "new" information on the repercussions of Congress' welfare reform bill that the President was not aware of when he pledged his support less than a month earlier.

The fraud was immediately discovered — not by Senator Dole or Speaker Gingrich but by Senator Daschle, the Senate Minority Leader. The same day on which the report was officially released, Senator Daschle took to the Senate floor to expose the transparency. Senator Daschle stated:

— "First, we should note that the statement [contained in the President's newly released report] that the Senate bill will put 1.2 million more children in poverty is based on an alterative definition, and that definition has never been used before."

He went on to say: "The fact is, using official poverty definitions, the Senate-passed bill does not increase the level of poverty for children at all."

— "Second, and perhaps more importantly, more children will be put into poverty only if the welfare system that we are proposing fails."

— "So while the numbers released concern me, I do not think that they [the Clinton Administration] ought to argue that somehow we ought to turn our backs on welfare reform. We simply cannot keep the status quo. We need to restructure our welfare system. We need to require people on welfare to work, and be responsible parents. We need to remember that the current system keeps 9 million children in poverty. That is the status quo, Mr. President. Nine million children today live in poverty as a result of the programs, the framework, and the institutions that we have in existence."

Senator Daschle was exactly right. Using real numbers, the Department of Health and Human Services has estimated that under the current welfare system ("That is the *status quo,* Mr. President."), the 9 million children on AFDC Senator Daschle cited will grow to 12 million by the year 2005. Ultimately, however, President Clinton and the status quo would prevail.

Step Three: Wait for a Blizzard — Play Hide and Seek With the Press

This part of the plan required a little luck, and the "Blizzard of 1996" provided it. Another precaution was to wait until the press disappeared from the White House, and since they were all out covering the blizzard, that was a cinch.

The very last part of the plan requires a President to go back on his word, and if you're Bill Clinton, that's a cinch as well.

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